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Wichita Man Sentenced for Securities Fraud

WICHITA, Kan., (Nov. 24, 2015) - Kansas Securities Commissioner Josh Ney has announced the conviction of a Wichita, Kan. man who was sentenced today to 60 months of probation and ordered to repay investors the balance of over \$165,000 in misused funds. In a criminal case brought by Ney's office in the District Court of Sedgwick County, Paul C. Carageannis, 56, pleaded no contest June 15 to one count of felony securities fraud under the Kansas Uniform Securities Act.

Carageannis defrauded at least 11 Kansas investors out of over \$165,000 between October 2008 and February 2009 by selling unregistered securities in an oil and gas lease. Despite his representations to victims, Carageannis had in fact lost the lease and instead used most of the victims' money to pay off existing debts and for other personal uses. As a result of the case filed by KSC prosecutors, nearly \$82,000 had been recovered for victims at the time of sentencing. In addition to imposing an extended term of probation, the court ordered Mr. Carageannis to repay his victims' the remaining \$84,044.32.

"My office is pleased that Mr. Carageannis's victims will see a return of most of their money," said Commissioner Ney. "Protecting Kansas investors and promoting legitimate business endeavors requires holding fraudulent actors accountable for their actions, as has been done in this case. I appreciate the hard work of our dedicated investigation and legal teams as well as the assistance of the Sedgwick County District Attorney's Office."

Commissioner Ney encourages Kansans to contact his office if they suspect investment fraud or have a question about whether an investment professional or security is properly registered.

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The mission of the Office of the Kansas Securities Commissioner is to protect and inform Kansas investors; to promote integrity, fairness, and full disclosure in financial services; and to foster capital formation.